

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CEA-01 CIAE-00 COME-00 EB-08
EA-12 FRB-01 INR-10 IO-14 NEA-11 NSAE-00 ICA-20
OPIC-06 SP-02 TRSE-00 LAB-04 SIL-01 AGRE-00
OMB-01 SS-15 XMB-04 NSC-05 STR-07 DOE-15 SOE-02
/157 W

-----036834 020750Z /11

R 011255Z JUN 78
FM AMEMBASSY OSLO
TO SECSTATE WASHDC 5918
INFO AMEMBASSY COPENHAGEN
AMEMBASSY PARIS
AMEMBASSY STOCKHOLM

UNCLAS OSLO 2691

E.O. 11652: N/A
TAGS: EFIN, ELAB, ETRD, NO
SUBJECT: ECONOMIC INDICATORS ON SMALLER OECD COUNTRIES

REFS: (A) 76 STATE 270634 (B) 77 STATE 096318

1. FOLLOWING ARE ECONOMIC INDICATORS AVAILABLE MAY 25, 1978.
TWELVE MONTH PERCENTAGE CHANGES ARE GIVEN IN PARENTHESIS.
THE CONVERSION RATE FROM LOCAL CURRENCY TO U.S. DOLLARS
CURRENTLY IS \$1.00 EQUALS NKRONER 5.30.

2.A. OUT PUT AND DEMAND.

A.1. INDUSTRIAL PRODUCTION INDEX (SEASONALLY ADJUSTED,
1970 BASE): MARCH: MANUFACTURING: 109 (-10.7). MINING,
EXCLUDING OFF-SHORE OIL: 107 (-7.8), ELECTRIC POWER
SUPPLY: 147 (23.5).

A.2. GNP: NO NEW DATA.

A.3. RETAIL SALES INDEX (SEASONALLY CORRECTED, 1975 BASE).
FEBRUARY: 133 (10.8); MARCH: 127 (-1.0).

A.4. OUTPUT OF IMPORTANT PRODUCTS. CRUDE PETRO-
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LEUM, METRIC TONS. FEBRUARY: 1,428,100 (13.3).

3.B. PRICE INDICES.

B.1. CONSUMER PRICE INDEX (1974 BASE): APRIL 15:
141.9 (8.2).

B.2. WHOLESALE PRICE INDEX (1977 BASE): APRIL 15:
103 (3.9).

B.3. EXPORT PRICE INDEX: NO NEW FIGURES.

4.C. FINANCES.

C.1. MONEY SUPPLY. NO NEW DATA.

C.2. REPRESENTATIVE INTEREST RATES: UNCHANGED.

C.3. OUTSTANDING CREDIT FROM COMMERCIAL AND SAVINGS
BANKS TO PRIVATE AND LOCAL GOVERNMENT SECTORS
(MILLION KRONER). MARCH 31: COMMERCIAL BANKS: 41,176
(13.7); SAVINGS BANKS: 31,088 (13.7).

5.D. CENTRAL GOVERNMENT FINANCES. NO NEW DATA.

5.E. LABOR MARKET. NO NEW DATA.

7. F. TRADE AND PAYMENTS (MILLION KRONE).

F.1. EXPORTS: APRIL, INCLUDING NEW SHIPS:
3,488 (17.2); EXCLUDING NEW SHIPS: 3,378 (16.2).

F.2. IMPORTS: APRIL, EXCLUDING SHIPS: 5,220 (15.4).

F.3. FOREIGN TRADE VOLUME INDEX: NO NEW FIGURE.

F.3.1. TRADE WITH THE UNITED STATES (MILLION KRONER).

IMPORTS FROM THE U.S., EXCLUDING SHIPS: MARCH:

269 (-18.2). U.S. SHARE: 5.2 PERCENT (40.4). EXPORTS

TO THE U.S., EXCLUDING SHIPS: 32 (4.0).

U.S. SHARE: 6.9 PERCENT (11.6).

F.4. CURRENT ACCOUNT. (MILLION KRONER).

JANUARY-FEBRUARY DEFICIT: 3,480 (4.0). FINANCED

BY: GOVERNMENT: 1,715; FINANCIAL INSTITUTIONS:

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387; OTHERS (MAINLY OIL AND SHIPPING): -235;

STATISTICAL ERRORS AND OMISSIONS: 1,613.

F.5. NET FOREIGN EXCHANGE RESERVE (MILLION KRONER).

AS OF FEBRUARY 28: 9,084 (8.3).

8. G. INVENTORIES AND ORDERS.

G.1. INVENTORY FORMATION. NO NEW FIGURES.

G.2. ORDER INDEX. (1976 BASE). FIRST QUARTER: NEW

ORDERS: 124 (9.7); ORDER RESERVE: 88 (-4.3).

9. UNLESS OTHERWISE STATED THE SOURCE IS CENTRAL
BUREAU OF STATISTICS.

10. MONTHLY HIGHLIGHTS: THE LATEST SURVEY OF BUSINESS
TRENDS BY THE NORWEGIAN CENTRAL BUREAU OF STATISTICS
SHOWS THAT FOR THE FIRST QUARTER OF 1978 DEMAND AND
INDUSTRIAL PRODUCTION FIGURES CONTINUE TO BE WEAK.
MUCH OF THIS CAN BE ATTRIBUTED TO DEVELOPMENTS IN
THE WAGE SECTOR, AND RECENT AUSTERITY MEASURES HAVE
ALSO BEGUN TO TAKE EFFECT. HOWEVER, THE SURVEY
ALSO NOTES THAT TRADITIONAL EXPORTS, WHICH HAD
DECLINED IN THE LAST HALF OF 1977, HAVE RECENTLY BEGUN

TO IMPROVE. THIS YEAR'S WAGE SETTLEMENT IS DRAWING TO A CLOSE, FOLLOWING A DECISION BY THE COMPULSORY WAGE SETTLEMENT BOARD REGARDING THE NATURE OF THE SETTLEMENT BETWEEN THE EMPLOYERS ASSOCIATION AND THE CONFEDERATION OF TRADE UNIONS (THIS FINDING WILL ACT AS A GUIDELINE FOR ALL OTHER WAGE SETTLEMENTS TO BE DECIDED THIS EARLY SUMMER). FINANCE MINISTER KLEPPE BELIEVES THE SETTLEMENT IS CONSISTENT WITH THE GOVERNMENT'S OVERALL POLICY OF IMPROVING NORWEGIAN INDUSTRY'S COMPETITIVE ABILITY VIS-A-VIS MAJOR TRADING PARTNERS. THE QUESTIONS REMAINS, GIVEN NORWAY'S CONTINUED TIGHT LABOR MARKET, OF TO WHAT EXTENT WAGE DRIFT MAY FRUSTRATE THE GOVERNMENT'S INTENTIONS. LERNER

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Message Attributes

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Disposition Reason:
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